

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2019-2020

### 1. CORPORATE INFORMATION

Vishal Bearings Ltd. ('the company') having its manufacturing facilities at Shapar (Veraval), Rajkot, is presently engaged in the business of manufacturing of Bearing Rollers, earning Job work Income & Wind Power Generation.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### (i) Basis of preparation

These financial statements are prepared in accordance with Schedule III of the Companies Act, 2013 and under the historical cost basis of accounting and evaluated on a going concern basis, with revenues and expenses accounted for on their accrual to comply in all material aspects with the applicable accounting principles and applicable Accounting Standards notified under section 133 of the Companies Act, 2013 (The Act) read with rule 7 of Companies (Accounts) Rules, 2014. The accountings policies have been consistently applied by the Company; and the accounting policies not referred to otherwise, are in conformity with Indian Generally Accepted Accounting Principles ('Indian GAAP').

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year unless otherwise stated.

#### (ii) Use of Estimates:

The preparation of financial statements requires estimates and assumptions to be made that affect the reported balances of assets as on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Accounting estimates could change from period to period. Actual results could differ from these estimates. Appropriate changes in estimates are made as and when the Management becomes aware of the changes in the circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which the changes are made and if material, their effects are disclosed in the notes to the financial statements.

#### (iii) Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

#### Sales of Goods:

Sales are recognized when significant risks and rewards of ownership of goods have been passed to the buyer.

#### Power Generation Income:

Power generation income is recognized on the basis of electrical units generated and eligible for captive consumption or captive consumed or sold as shown in the power generation reports issued by the concerned authorities. Power generation income is booked as the per unit electricity rate, being paid by the company / actually sold by the company.

**Interest:**

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

**Dividend:**

Dividend Income is recognized when the Company's right to receive the amount has been established.

**Insurance Claim:**

Proceeds on maturity of life insurance policy of key managerial personnel have been recognized as income on accrual basis.

**(iv) Property, Plant & Equipments:**

Fixed assets are stated at their cost of acquisition plus all expenditure incurred for bringing the assets to their present location and condition including the installation costs, net of modvat / cenvat / other credits and includes amounts added on revaluation, less accumulated depreciation and impairment loss, if any. All costs, including specific financing cost till assets put to use, net charges on foreign exchange contracts and adjustment arising from foreign exchange rate variations attributable to the property, plant & equipments are capitalized.

**(v) Depreciation / Amortization**

The company has charged depreciation on Property, Plant & Equipments on Written Down Value (WDV) method on the basis of useful life / remaining useful life and in the manner as prescribed in, Part C, Schedule II of the Companies Act, 2013. Depreciation on additions/ disposals during the year has been provided on pro-rata basis with reference to the nos. of days utilized.

Depreciation on additions/ disposals during the year has been provided on pro-rata basis.

**Details of useful life of an asset and its residual value estimated by the management:**

Type of Asset	Useful Life as per management's estimate
Factory Building	30 Years
Plant & Machinery *	20 Years
Furnace	15 Years
Electrification	15 Years
Furniture & Fixtures	10 Years
Computers	3 Years
Computer Software	6 Years
Refrigerator	15 Years
EPBX System	15 Years
Air Conditioner	15 Years
Fax Machine	15 Years
Water Filter	15 Years
Mobile & Telephone	15 Years
CCTV System	15 Years
Weighing Scale Machine	15 Years
Motor Cars	8 Years
Motor Cycles	10 Years

Windmill Plant & Machinery	22 Years
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In none of the case, residual value of an asset is more than five per cent of original cost of the asset.

\* For this class of asset, based on internal assessment and independent technical evaluation carried out by chartered engineer, the useful life is estimated to be 20 Years from the date of its put to use, whereas the useful life for the said class of asset as per Schedule II is 15 Years.

#### (vi) Inventories

Inventories of Raw Materials, Semi-Finished Goods, Finished Goods and Waste & Scrap are stated at cost or net realizable value, whichever is lower. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formula used is 'Average cost'. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company.

#### (vii) Retirement Benefits and other employee benefits

##### Defined Contribution Plans

Defined contribution to provident fund is charged to the profit and loss account on accrual basis.

##### Defined Benefit Plans

Provision for gratuity liability is provided based on actuarial valuation made at the end of the financial year.

Leave encashment expenditure is charged to profit and loss account at the time of leave encashed and paid, if any. Bonus expenditure is charged to profit and loss account on accrual basis.

#### (viii) Foreign Currency Transactions:

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of transaction.

Foreign currency current assets and current liabilities outstanding at the balance sheet date are translated at the exchange rate prevailing on that date and the net gain or loss is recognized in the profit and loss account.

Foreign currency translation differences relating to liabilities incurred for purchasing Property, Plant & Equipments from foreign countries are adjusted in the carrying cost of Property, Plant & Equipments for differences up to the year-end in the year of acquisition, whereas differences arising thereafter to be recognized in the profit and loss account. All other foreign currency gain or losses are recognized in the profit and loss account.

#### (ix) Operating Lease

Assets acquired as leases where a significant portion of risk and rewards of ownership are retained by the lesser are classified as operating lease. Lease rentals being income or expense are booked to the profit and loss account as incurred.

Initial direct costs in respect of the lease acquired are expenses off in the year in which such costs are incurred.

**(x) Borrowing Cost**

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Costs incurred in raising funds are amortized equally over the period for which the funds are acquired. All other borrowing costs are charged to profit and loss account.

**(xi) Taxes on Income**

Tax expenses comprise Current Tax / Minimum Alternate Tax (MAT) and deferred tax charge or credit.

Current Tax: Provision for current tax / Minimum Alternate Tax (MAT) is made based on tax liability computed after considering tax allowances and exemptions, in accordance with the provisions of The Income Tax Act, 1961.

Deferred Tax: Deferred tax assets and liability is recognized, on timing differences, being the differences between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets arising mainly on account of brought forward losses, unabsorbed depreciation and minimum alternate tax under tax laws, are recognized, only if there is a virtual certainty of its realization, supported by convincing evidence. At each Balance Sheet date, the carrying amount of deferred tax assets are reviewed to reassure realization. The deferred tax asset and deferred tax liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

**(xii) Earnings/(Loss) per Share**

Basic earnings/(loss) per share are calculated by dividing the net profit / (loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the year and also after the balance sheet date but before the date the financial statements are approved by the board of directors.

**(xiii) Provisions, contingent liabilities and contingent assets**

A provision is recognized when the company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent liabilities are disclosed by way of notes to the accounts.

Contingent assets are not recognized.

**(xiv) Investments**

Investments being Non-Current Investments consists investments made in equity oriented mutual funds (quoted) and shares in co-operative banks (non-quoted). Investments are stated at cost of acquisition. Provision for diminution in the value of long-term investments is made only if such decline is other than temporary.

**(xv) Cash and Cash Equivalents**

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand, cheques on hand and short-term investments with an original maturity of three months or less.

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly.

**(xvi) Government Grants & Assistance**

This includes cash subsidy being received from State Government and District Industries Centre (DIC) for Property, Plant & Equipments being non-repayable is grouped under Capital Reserve.

**(xvii) Segment Reporting**

In accordance with Accounting Standard-17 – “Segment Reporting” issued by the Institute of Chartered Accountants of India, the Company has identified its business segment as "Manufacturing of Bearing Rollers & Other Allied Activities". There are no other primary reportable segments applicable to the company. The major and material activities of the company are restricted to only one geographical segment i.e. India, hence the secondary segment disclosures are also not applicable.

As per our report of even date attached

**FOR SVK & ASSOCIATES**

**Chartered Accountants**

**Firm Reg. No. 118564W**

**Shilpang V. Karia**

**Partner**

**M. No. 102114**

**Date: 30.07.2020**

**Place: Shapar, Rajkot**

**UDIN: 20102114AAAADS9525**

On behalf of the Board of Directors

**FOR, VISHAL BEARINGS LTD.**

**D. G. Changela**  
**Managing Director**

**DIN: 00247302**

**H. G. Changela**  
**Whole Time Director**

**DIN: 00247292**

**V. V. Changela**

**Chief Financial  
Officer**

**K. V. Savaliya**

**Company Secretary**

PARTICULARS		As at 31-03-2020 Rupees		As at 31-03-2019 Rupees	
3	<b>SHARE CAPITAL</b> (Refer Note No. 1)				
(i)	<b>Authorized:</b> 12,000,000 Equity Shares of Rs. 10/- Each (Previous year 10,000,000 Equity Shares of Rs. 10/- each)	12,00,00,000		12,00,00,000	
	<b>Issued, Subscribed &amp; Fully Paid:</b> - 10,791,000 Equity Shares of Rs. 10/- Each fully paid	10,79,10,000		10,79,10,000	
	<b>- Subscribed but not fully paid</b>	-			
(ii)	<b>Reconciliation of number of Equity Shares:</b> Equity Shares:				
	Shares outstanding at the beginning of the year	10,791,000	107,910,000	5,995,000	59,950,000
	Shares issued during the period	-	0	4,796,000	47,960,000
	Shares bought back during the year	-	-	-	-
	Shares outstanding at the end of the year	1,07,91,000	10,79,10,000	1,07,91,000	10,79,10,000
(iii)	<b>Terms/rights attached to equity shares</b> The Company has only one class of equity shares having a par value of Rs. 10 each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.  In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.				
(v)	Shareholders holding more than 5% Shares: Names of Shareholders:	<b>As at 31.03.2020</b>		<b>As at 31.03.2019</b>	
		No. of Shares held	% of holding	No. of Shares held	% of holding
	Hiralal G. Changela	1,199,250	11.11%	1,199,250	11.11%
	Vrajlal G. Changela	1,179,000	10.93%	1,179,000	10.93%
	Dilipkumar G. Changela	1,192,500	11.05%	1,192,500	11.05%

<b>(vi) Shares issued other than cash, bonus issue and shares bought back</b>				
<b>Equity Shares:</b>	<b>2019-2020</b>	<b>2018-2019</b>	<b>2017-18</b>	<b>2016-17</b>
Fully paid up pursuant to contract(s) without payment being received in cash	Nil	Nil	Nil	Nil
Fully paid up by way of bonus shares	Nil	4,796,000	Nil	1,199,000
Shares bought back	Nil	Nil	Nil	Nil
<b>Preference Shares:</b>				
Fully paid up pursuant to contract(s) without payment being received in cash	Nil	Nil	Nil	Nil
Fully paid up by way of bonus shares	Nil	Nil	Nil	Nil
Shares bought back	Nil	Nil	Nil	Nil
<b>Unpaid Calls</b>				
By Director	2019-2020	2018-2019		
By Others	Nil	Nil		
	Nil	Nil		

**Note 1:**

During the year FY 18-19, the Company issued 47,96,000 Equity Shares as fully paid up Bonus Shares in the ratio of 4:5 by capitalization of Reserves & Surplus and allotment done on March 9th, 2019.

Particulars	As at 31-03-2020 Rupees	As at 31-03-2019 Rupees
<b>4 RESERVE AND SURPLUS</b>		
<b>(a) Security Premium Reserve</b>		
(Refer Note No. 1)		
Opening Balance	-	7,450,000
Less: Bonus Shares Issued During the Year	-	7,450,000
<b>Closing Balance (a)</b>	<b>-</b>	<b>-</b>
<b>(b) Other Reserves</b>		
- Capital Reserve - Cash Subsidy	1,429,623	1,429,623
- General Reserve	5,455,173	5,455,173
<b>Closing Balance (b)</b>	<b>6,884,796</b>	<b>6,884,796</b>
<b>(c) Balance in Statement of Profit and Loss Account</b>		
- Opening Balance	65,606,619	45,749,435
- Less: Interim Dividend	-	(2,997,500)
- Less: Tax on Interim Dividend	-	(616,145)
- Less: Utilized for Bonus shares issued	-	(40,510,000)
- Add: Profit for the year	104,912	63,980,828

Closing Balance	(c)	65,711,530	65,606,619
	<b>Total (a+b+c)</b>	<b>72,596,326</b>	<b>72,491,415</b>
<b>5 LONG TERM BORROWINGS</b>			
<b>(a) Term Loans:</b>			
Secured Loan:			
- From banks		30,055,102	7,630,672
- From Financial Institutions		-	1,291,107
	<b>(a)</b>	<b>30,055,102</b>	<b>8,921,779</b>
<b>(b) Loans and Advances from Related Parties:</b>			
<b>Unsecured:</b>			
- From Directors		78,034,690	71,493,189
- From Relatives		118,137,783	113,540,070
- From Others		16,640,194	17,053,482
	<b>(b)</b>	<b>212,812,667</b>	<b>202,086,741</b>
	<b>Total (a+b)</b>	<b>242,867,769</b>	<b>211,008,520</b>

**Notes:**

**Secured Loans:**

**Term Loans from Banks**

Secured by first and exclusive charge on all existing and future receivables / current assets / moveable assets / moveable fixed assets of the Company, Registered Equitable Mortgage of factory land & building and personal guarantee of Directors and Relative of Directors. Rate of interest of Term Loans @ 9.80% p.a. subject to change from time to time and are repayable within 2 to 4 Years from the balance sheet date.

**Vehicle Loans from Financial Institutions**

Amt. O/s. Rs. 12,91,107/- Secured against hypothecation of vehicles financed. Rate of interest of Vehicle Loans @ 8.00%p.a. to 9.00% p.a. and are repayable within 1 year from the balance sheet date.

**Unsecured loans from related parties and others:**

Unsecured Loans from directors and relatives are long term in nature and as per management explanation, generally not repayable within one year from the balance sheet date. Rate of Interest @ 12% p.a. (12% p.a.)



6 DEFERRED TAX LIABILITY (NET)	Deferred Tax Liability/ (Asset) as at 31-03-2020	Deferred Tax Liability/ (Asset) as at 31-03-2019
<b>Deferred Tax liabilities</b>		
Related to Property, Plant & Equipment	6,652,123	5,827,127
<b>(A)</b>	<b>6,652,123</b>	<b>5,827,127</b>
<b>Deferred Tax Assets</b>		
Related to Carry Forward Losses	518,016	-
<b>(B)</b>	<b>518,016</b>	<b>-</b>
<b>TOTAL (A+B)</b>	<b>6,134,106</b>	<b>5,827,127</b>
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<b>7 SHORT TERM BORROWINGS</b>		
<b>Secured:</b>		
Working Capital Facilities from Bank	114,166,495	113,452,068
<b>Total</b>	<b>114,166,495</b>	<b>113,452,068</b>
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<b>Note:</b>		
<b>Working Capital Facilities from Banks:</b>		
Secured by first and exclusive charge on all existing and future receivables / current assets / moveable assets / moveable fixed assets of the Company, Registered Equitable Mortgage of factory land & building and personal guarantee of Directors and Relative of Directors. Rate of interest at 9.85% p.a. subject to change from time to time.		
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<b>8 TRADE PAYABLES</b>		
<i>(Refer Note No. 40)</i>		
Micro & Small Enterprises	-	-
Other than Micro & Small Enterprises	30,360,813	32,628,041
<b>Total</b>	<b>30,360,813</b>	<b>32,628,041</b>
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<b>9 OTHER CURRENT LIABILITIES</b>		
(a) Current Maturities of Long-Term Debts	16,740,513	4,047,323
(b) Interest Accrued but not Due on Borrowings	870,956	695,078
(c) Statutory Liabilities	8,443,325	4,767,678
<b>Total</b>	<b>1,02,96,377</b>	<b>1,02,96,377</b>
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<b>10 SHORT TERM PROVISIONS</b>		
(a) Provision for employee benefits <i>(Refer Note No. 36)</i>	1,534,524	3,568,740
(b) Provision for current income-tax	5,500	26,000,000
(c) Other provisions	1,344,566	4,661,998
<b>Total</b>	<b>2,884,590</b>	<b>34,230,738</b>

Note-11 PROPERTY, PLANT & EQUIPMENTS:

Particulars	GROSS BLOK				DEPRECIATION			NET BLOK		
	Balance 01.4.19	Addition	Disposal	Balance 31.3.20	Balance 01.4.19	For the Year	Disposal	Balance 31.3.20	Balance 31.3.20	Balance 31.3.19
	Rs. (in lac)	Rs. (in lac)	Rs. (in lac)	Rs. (in lac)	Rs. (in lac)	Rs. (in lac)	Rs. (in lac)	Rs. (in lac)	Rs. (in lac)	Rs. (in lac)
<b>I TANGIBLE ASSETS</b>										
Lands	19.25	-	-	19.25	-	-	-	-	19.25	19.25
Factory Building	471.27	232.89	-	704.17	189.82	36.43	-	226.26	477.91	281.45
<b>Plant &amp; Machineries</b>				3099.50						
Machinery	2655.21	444.28	-		1318.10	290.58	-	1608.68	1490.82	1337.11
Furnace	15.65	0.55	-	15.70	12.41	0.62	-	13.04	0.266	0.323
Electric Attendance System	2.46	-	-	2.46	0.93	0.27	-	1.21	1.24	1.52
Electrification	35.93	-	-	35.93	27.03	1.65	-	28.69	7.24	8.89
Refrigerator	0.32	0.12	-	0.44	0.24	0.05	-	0.29	0.14	0.07
Mobile & Telephone	0.50	-	-	0.50	2.37	0.48	-	2.86	2.20	2.69
Air Conditioner	8.94	0.39	-	9.34	4.83	0.11	-	5.99	3.34	4.10
Water Filter	0.9477	-	-	0.9477	0.758	0.035	-	0.79	0.15	0.18
CCTV System	16.30	2.63	-	18.94	7.41	2.00	-	9.42	9.51	8.88
Weighing Scale	1.46	-	-	1.46	0.90	0.10	-	1.00	0.45	0.55
Furniture & Fixtures	22.06	0.099	-	22.16	10.62	2.95	-	13.58	8.57	11.43
Computers & Software	30.66	7.51	-	38.18	25.33	4.31	-	29.64	8.53	5.32
<b>Vehicles</b>										
Motor Cars	129.22	-	-	129.22	68.82	18.80	-	87.63	41.59	60.39
Motorcycles	1.41052	-	-	1.41052	1.31	0.0212	-	1.33	0.07618	0.09738
Office Equipment	0.52	-	-	0.52	0.15	0.16	-	0.32	0.20	0.36
Windmill Plant & Machinery	129.30	-	-	129.30	88.67	4.99	-	93.67	35.62	40.62
<b>TOTAL - TANGIBLE ASSETS</b>	<b>3546.04</b>	<b>688.01</b>	<b>-</b>	<b>4234.06</b>	<b>1759.80</b>	<b>364.67</b>	<b>-</b>	<b>2124.48</b>	<b>2109.58</b>	<b>1700.635</b>
<b>II CAPITAL WORK IN PROGRESS</b>										
New Construction on SIDC Road	186.79	15.07	20.18	-	-	-	-	-	-	18,679,308
Factory Building - New Construction	10.93	20.08	3.10	-	-	-	-	-	-	1,093,999
<b>Total</b>	<b>197.73</b>	<b>35.16</b>	<b>232.89</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,773,307</b>
<b>GRAND TOTAL</b>	<b>3743.77</b>	<b>723.18</b>	<b>232.89</b>	<b>4234.06</b>	<b>1759.80</b>	<b>364.67</b>	<b>-</b>	<b>2124.48</b>	<b>2109.58</b>	<b>1983.97</b>
<b>GRAND TOTAL PREVIOUS YEAR</b>	<b>3225.07</b>	<b>610.45</b>	<b>91.75</b>	<b>3743.77</b>	<b>1437.91</b>	<b>321.88</b>	<b>-</b>	<b>1759.80</b>	<b>1983.97</b>	<b>1787.15</b>

**12 NON-CURRENT INVESTMENTS**

**Unquoted: (At Cost):**

Share Deposit in Co-op. Bank of Rajkot Ltd.	100	100
Share 1504 (1504) in Co-op. Bank of Rajkot Ltd.	37,600	37,600

**Quoted: (At Cost):**

DSP Blackrock - Equity Fund (G) [MV Rs. 3,23,371 (2,83,925)]	316,000	216,000
Franklin India Equity & Focused Equity (G) [MV Rs. 8,99,880 (9,10,039)]	1,179,001	819,001
ICICI Pru-BalN Advantage Fund Reg (G) [MV Rs. 11,99,874 (MV Rs. 10,58,149)]	885,066	585,066
ICICI Prudential Infrastructure [MV Rs. 62,698 (MV Rs. 99,500)]	80,666	80,666
IDFC Multi Cap Reg (G) [MV Rs. 2,06,256 (MV Rs.2,69,364)]	215,952	215,952
DSP Blackrock Small and Midcap Fund [MV Rs.6,80,292(5,35,980)]	825,000	525,000
ICICI Prudential Focused Blue-Chip Equity Fund[MV Rs.8,45,366 (6,36,883)]	1,060,000	600,000
IDFC Core Equity Reg (G) [MV Rs.6,04,953 (5,42,265)]	825,000	525,000
ICICI Prudential Credit Risk Fund – G [MV Rs.10,22,714(NA)]	1,000,000	-

**Total 6,424,385 3,604,385**

**13 LONG TERM LOANS AND ADVANCES**

(Unsecured and considered good as certified by the management)

Security Deposits	5,365,661	5,365,661
Capital Advances	-	10,421,225

**Total 5,365,661 15,786,886**

**14 INVENTORIES**

(As taken, valued & certified by the management)

Raw Materials	139,996,238	153,260,364
Work-in-process	100,086,000	78,654,525
Others - Waste & Scrap	1,284,692	121,904

**Total 241,366,930 232,036,793**

**15 TRADE RECEIVABLES**

(Unsecured and considered good as certified by the management)

(Refer Note No. 39)

Unsecured, considered good:		
- Outstanding or a period exceeding six months from the date they are due for payment.	9,780,426	1,069,146
- Outstanding or a period less than six	106,088,667	96,863,027

months from the date they are due for payment.

	<b>Total</b>	<b>115,869,093</b>	<b>98,517,576</b>
<b>16 CASH &amp; CASH EQUIVALENTS AND BANK BALANCES OTHER THAN CASH &amp; CASH EQUIVALENTS</b>			
(i) Cash and Cash Equivalents:			
Cash on hand		725,278	1,234,432
	<b>(a)</b>	<b>725,278</b>	<b>1,234,432</b>
(ii) Bank Balances other than Cash and Cash Equivalents:			
(a) Balance with banks		73,769	142,553
(b) Earmarked balances with banks		510,000	690,555
	<b>(b)</b>	<b>583,770</b>	<b>833,108</b>
	<b>Total (a+b)</b>	<b>1,309,048</b>	<b>2,067,541</b>
<b>17 SHORT TERM LOANS &amp; ADVANCES</b> <i>(Unsecured and considered good as certified by the management)</i>			
(a) Balances with Revenue Authorities		8,854,668	29,728,712
(b) Advance to Suppliers & Employees		12,248,284	7,097,369
(c) Prepaid Expenses		226,954	111,795
	<b>Total</b>	<b>21,329,906</b>	<b>36,937,876</b>
<b>18 OTHER CURRENT ASSETS</b> <i>(Unsecured and considered good as certified by the mgt.)</i>			
Income Receivable		351,721	2,95,155
	<b>Total</b>	<b>351,721</b>	<b>2,95,155</b>
<b>19 REVENUE FROM OPERATION</b>			
(a) Sale of products (Bearing Rollers & Scrap)		518,593,338	802,820,221
(b) Other Operating Revenues		1,222,469	2,563,598
	<b>Total</b>	<b>519,815,807</b>	<b>805,383,819</b>
<b>20 OTHER INCOME</b>			
Dividend Income		3,760	4,701
Interest Income		427,205	601,434
Foreign Exchange Rate Fluctuation		2,048,098	3,144,931
Transportation Income		-	1,060,000
Duty Drawback on Export Sales		17,680	21,173
Balances Written Back		176,664	-
Insurance Claim		4,336,242	-
	<b>Total</b>	<b>7,009,648</b>	<b>4,832,239</b>

<b>21</b>	<b>COST OF RAW MATERIAL AND STORES CONSUMED</b>		
	Opening Stock:	153,260,364	89,100,049
	Add: Purchases	327,989,838	598,972,412
		<b>481,250,202</b>	<b>688,072,461</b>
	Less: Closing Stock	139,996,238	153,260,364
	<b>Total</b>	<b>341,253,964</b>	<b>534,812,097</b>
<b>22</b>	<b>CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS &amp; STOCK-IN-TRADE:</b>		
	Opening Stock:		
	Semi-Finished Goods	78,654,525	24,315,200
	Scrap/Wastage	121,904	595,644
	<b>(a)</b>	<b>78,776,429</b>	<b>24,910,844</b>
	Less: Closing stock:		
	Semi-Finished Goods	100,086,000	78,654,525
	Scrap/Wastage	1,284,692	121,904
	<b>(b)</b>	<b>101,370,692</b>	<b>78,776,429</b>
	<b>Total (a-b)</b>	<b>(22,594,263)</b>	<b>(53,865,585)</b>
<b>23</b>	<b>EMPLOYEE BENEFITS EXPENSES</b>		
	(a) Salary, Wages and Bonus (including directors' remuneration)	74,072,698	79,580,737
	(b) Contribution to Provident Fund & Gratuity Fund	2,210,611	4,517,415
	(c) Staff Welfare Expenses	2,186,361	2,401,574
	<b>Total</b>	<b>78,469,670</b>	<b>86,499,726</b>
<b>24</b>	<b>FINANCIAL COSTS</b>		
	(a) Interest Expenses		
	Interest on Bank Cash Credit	11,324,002	4,939,749
	Interest on Bank Term Loan	3,263,553	1,180,444
	Interest on Unsecured Loans	12,464,755	22,503,095
	Interest on Bill Discount	2,096,251	1,373,957
	Interest on Buyers Credit	-	-
	Interest on Car Loan	199,194	425,013
	<b>(a)</b>	<b>29,347,755</b>	<b>30,422,257</b>
	(b) Other Finance Costs		
	Bank LC Issued Charges	60,477	1,06,439
	Loan Processing Fee	320,000	22,36,750
	Bank Commission & Charges	50,544	883,089
	<b>(b)</b>	<b>431,021</b>	<b>3,226,278</b>
	<b>Total (a+b)</b>	<b>29,778,776</b>	<b>33,648,536</b>
<b>25</b>	<b>OTHER EXPENSES</b>		
	(a) <b>Manufacturing &amp; Operating Costs</b>		
	Consumption of Electric, Power and	29,369,532	37,657,699

Fuel			
Machinery Repairs & Maintenance		10,663,450	2,883,730
Building Repairs & Maintenance		331,746	8,006
Electric Repairs & Maintenance		1,675,448	2,221,989
Job work Expenses		7,529,245	15,354,352
Transportation & Labor Charges		6,054,954	10,904,422
Other Manufacturing & Operating Exp.'		3,117,439	10,598,241
	(a)	<b>58,741,814</b>	<b>79,628,439</b>
<b>(b) Sales &amp; Distribution Expenses</b>			
Advertisement & Sales Promotion Exp.'		77,123	17,256
	(b)	<b>77,123</b>	<b>17,256</b>
<b>(c) General &amp; Administrative Expenses</b>			
Audit Fees		65,000	65,000
Legal & Professional Expenses		649,553	1,874,791
Insurance		507,239	695,637
Rent		-	5,000
Rates & Taxes		49,910	1,167,272
Conveyance, Tour and Travelling Expenses		357,713	534,141
General Administration Expenses		3,358,438	3,628,483
	(c)	<b>4,987,853</b>	<b>79,70,324</b>
	<b>Total (a+b+c)</b>	<b>63,806,790</b>	<b>87,616,019</b>
<b>26 Earnings per Share (EPS)</b>			
(a) Profit after tax for calculation of Basic and Diluted EPS		104,912	63,980,828
(b) Weighted average number of equity shares outstanding for calculating EPS (Adjusted for Bonus Issue)		10,791,000	10,791,000
(c) Basic and Diluted EPS (Adjusted for Bonus Issue)		0.01	5.93
<b>27 Contingent Liabilities and Commitments</b> (to the extent not provided for)			
(a) Letter of Credits issued by bank		-	2,58,82,396
(b) Disputed Liability in Appeal:			
(i) Income-tax		-	-
(Contingent liabilities as disclosed above are as certified by the management of the company)			
<b>28 Value of imports calculated on CIF basis by the company during financial year in respect of</b>			
i. Raw materials		103,687,318	351,574,229
ii. Capital Goods		33,563,026	7,742,350

<b>29 Earnings &amp; Expenditure in foreign currency</b>		
(a) <b>Earnings</b>		
Sale of Goods	1,445,789	667,133
(b) <b>Expenditures</b>	-	-
<b>30 Imported and Indigenous Material Consumed</b>		
(i) Total value of imported raw materials, spare parts and components consumed during the financial year	119,894,813	315,426,558
(ii) Total value of all indigenous raw materials, spare parts and components similarly consumed	221,359,150	219,385,539
(iii) Total value of imported and indigenous raw materials, spare consumed during the financial year	341,253,964	534,812,097
(iv) Imported raw materials and spare parts consumed in %	35.13%	58.98%
(v) Indigenous raw materials and spare parts consumed in %	64.87%	41.02%
<b>31 Payment to Auditors (Excluding Service tax)</b>		
- Audit Fees	65,000	65,000
<b>32 Details of raw materials consumed: (In Rupees)</b>		
Steel Coil, Consumable Stores & Packing Materials	341,253,964	53,48,12,097
<b>33 Details of Manufactured Goods: (In Rupees)</b>		
<b>Product</b>	<b>Bearing Rollers &amp; Scrap</b>	
Opening Stock	121,904	595,644
Closing Stock	1,284,692	121,904
Sales (Excl. Taxes)	518,593,338	802,820,221

**34** In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets, loans and advances will, in the ordinary course of business, not be less than the amounts at which they are stated in the Balance sheet.

**35** As certified by the management of the company, the company has generally made all the applicable provisions with respect to the business operations of the company.

**36 Gratuity Benefits**

The Company has defined benefit gratuity plan. Every employee who has completed five years or more of services gets a gratuity on departure at 15 days salary (Last drawn salary) for each completed year of service.

The following table summarizes the component of net benefit expenses recognized in Statement of Profit & Loss and Gratuity Obligation as at year end as per Actuarial Valuation Report.

Particulars	2019-2020	2018-2019
Opening defined benefit obligation	1,712,752	1,789,099
Add: Provision during the year	36,278	1,639,249
Less: Payment / Contribution during the year	1,639,249	1,715,596
Closing Defined benefit obligation	109,781	1,712,752

37 Previous year's figure has been reworked, regrouped, rearranged and reclassified wherever necessary. Accordingly, amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

38 Balances of Trade Payables, Unsecured Loans, Trade Receivables, Long Term and Short-term Loans & Advances, Other Current Assets and Provisions and Non-Current Investments are subject to the confirmation of the parties concerned. Wherever confirmation of the parties for the amounts due to them / amounts due from them as per books of accounts are not received, necessary adjustments, if any, will be made when the accounts are reconciled / settled.

39 **Related Party Disclosure**

(i) **List of Related Parties and Relationship**

Name of Related party	Relationship
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**Key Management Personnel (KMP)**

Dilipkumar G. Changela	Managing Director
Vrajlal G. Changela	Whole Time Director
Hiralal G. Changela	Whole Time Director
Vishal V. Changela	Chief Financial Officer

**Relatives of KMP**

Bhumiben Dilipbhai Changela  
 Darshit Dilipbhai Changela  
 Divyeshkumar Hiralal Changela  
 Girishkumar G. Changela  
 Hansaben Gopaldas Dharsandia  
 Harsukhbhai Changela  
 Jayshreeben Hiralal Changela  
 Jyotiben V. Changela  
 Manjulaben Jayantilal Marvania  
 Nirju Hiralal Changela  
 Rambhaben G. Changela  
 Rasilaben Dilipbhai Changela  
 Rinkuben Divyeshbhai Changela  
 Vijaykumar V. Changela  
 Vishal V. Changela  
 Yesha Darshit Changela

**Companies / Entities owned / significantly influenced by directors & their relatives**

Virdeep Engineering Pvt. Ltd.  
 Virdeep Bearings Rollers LLP  
 Vijay Petroleum Co.



(ii)	Nature of transactions	Interest Rupees	Loan Received (Paid) Rupees	Remuneration /Salary /Leave Pay/Bonus Rupees	Purchase/ sales/ Jobwork expense/ jobwork income
<b>2019-2020</b>					
	Dilipkumar G. Changela	1,602,814	-	2,600,833	-
	Hiralal G. Changela	1,252,415	-	2,600,833	-
	Vrajlal G. Changela	1,635,328	2,000,000	2,600,833	-
	Vishal V. Changela	415,108	(464,000)	2,216,478	-
	Rambhaben G. Changela	307,371	(10,500,000)	-	-
	Darshit D. Changela	751,933	1,500,000	2,216,478	-
		-	(1,000,000)	-	-
	Darshit D. Changela		)		
	Divyeshbhai H. Changela	498,242	-	2,216,478	-
	Girishkumar G. Changela	917,138	-	-	-
	Hansaben Gopaldas Dharsandia	258,271	-	-	-
	Jayshreeben H. Changela	858,161	1,750,000	-	-
	Jayshreeben H. Changela	-	(230,300)	-	-
	Manjulaben Jayantilal Marvania	207,239	-	-	-
	Jyotiben V. Changela	722,636	-	-	-
	Vijaykumar V. Changela	343,859	(264,000)	2,216,478	-
	Priya Vijay Changela	47,008	1,750,000	-	-
	Punarva Vishal Changela	48,770	1,750,000	-	-
	Rasilaben D. Changela	601,613	3,500,000	-	-
	Rasilaben D. Changela	-	(260,580)	-	-
	Rinkuben Divyeshbhai Changela	446,862	1,750,000	-	-
	Rinkuben Divyeshbhai Changela	-	230,300	-	-
	Yesha Darshit Changela	526,445	-	-	-
	Virdeep Bearings Rollers LLP	-	-	-	48,50,313 (JE)
	Virdeep Bearings Rollers LLP	-	-	-	1,10,32,448 3(S&JI)
	Vijay Petroleum	-	-	-	11,776 (E)
<b>2018-2019</b>					
	Dilipkumar G. Changela	2,822,150	-	2,000,000	-
	Hiralal G. Changela	2,242,130	-	2,000,000	-
	Vrajlal G. Changela	2,866,810	(500,000)	2,000,000	-
	Vrajlal G. Changela	-	500,000	-	-
	Vishal V. Changela	773,654	(664,000)	1,955,231	-
	Vishal V. Changela	-	400,000	-	-

Rambhaben G. Changela	1,458,835	-	-	-
Darshit D. Changela	1,352,472	(300,000)	1,955,231	-
Divyeshbhai H. Changela	897,122	-	1,955,231	-
Girishkumar G. Changela	1,641,322	-	-	-
Hansaben Gopaldas Dharsandia	462,204	-	-	-
Jayshreeben H. Changela	1,362,845	(253,330)	-	-
Jayshreeben H. Changela	-	1,000,000	-	-
Manjulaben Jayantilal Marvania	370,879	-	-	-
Jyotiben V. Changela	1,293,239	-	-	-
Vijaykumar V. Changela	646,070	(464,000)	1,955,231	-
Rasilaben D. Changela	772,267	(521,160)	-	-
Rinkuben Divyeshbhai Changela	663,299	1,000,000	-	-
Rinkuben Divyeshbhai Changela	-	(253,330)	-	-
Yesha Darshit Changela	868,529	4,000,000	-	-
Virdeep Bearings Rollers LLP	-	-	-	90,91,242 (JE)
Virdeep Bearings Rollers LLP	-	-	-	1,52,55,515 (S)
Vijay Petroleum	-	-	-	30,910 (E)

**Particulars**

		31-03-2020	31-03-2019
Dues from company under the same management / entities where KMP and relatives of KMP have significant influence:			
Virdeep Bearing Rollers LLP	Trade	11,024,854	-
Virdeep Engineering Pvt Ltd	Receivables	648,910	648,910
Virdeep Bearing Rollers LLP	Advances to	1,327,783	5,595,886
Virdeep Engineering Pvt Ltd	Creditors	416,553	416,553

- 40 There is no dues payable (including interest) by the company as at the end of the year to Micro and Small Enterprises as per Micro, Small & Medium Enterprises Development Act, 2006 and also no interest due and payable for the year on account of delay in making payment during the year.  
(As certified by the management of the Company)
- 41 As explained to us by the management of company, the outbreak of corona virus (Covid-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The company is into the business of "Manufacturing and selling of Bearing Rollers and allied activities". The company has evaluated impact of this pandemic on its business operations. Based on the review and current indicators of future economic conditions, as on current date, the Company has concluded that the impact of Covid-19 is not material based on these estimates. Due to the nature of pandemic, the Company will continue to monitor developments to identify significant uncertainties in future periods, if any.
- 42 Wherever no vouchers and documentary evidences were made available for our verification, we have relied on the authentication given by management of the

company.

- 43 Figures have been rounded off to nearest rupee and have been regrouped, rearranged and reclassified wherever necessary.

### Signature to Note No. 1 to 43

As per our report of even date attached  
**FORSVK& ASSOCIATES**  
Chartered Accountants  
Firm Reg. No. 118564W

On behalf of the Board of Directors  
FOR, VISHAL BEARINGS LTD.

Shilpang V. Karia  
Partner  
M. No. 102114

D. G. Changela  
Managing Director  
DIN: 00247302

H.G. Changela  
Whole Time Director  
DIN: 00247292

Date: 30.07.2020  
Place: Shapar, Rajkot  
UDIN: 20102114AAAADS9525

V. V. Changela  
Chief Financial Officer

K. V. Savaliya  
Company Secretary

